

Message Text

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PAGE 01 LISBON 02237 181434Z

67

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 SS-15 NSC-05 PA-01 PRS-01

USIA-06 OPIC-03 XMB-02 AGR-05 FTC-01 FEA-01 INT-05

FAA-00 DOTE-00 CAB-02 L-02 /099 W
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R 180831Z APR 75

FM AMEMBASSY LISBON

TO AMEMBASSY BRUSSELS

INFO SECSTATE WASHDC 2539

LIMITED OFFICIAL USE LISBON 2237

E.O. 11652: N/A

TAGS: EIND, PO, BE

SUBJ: PURPORTED AGREEMENT BETWEEN PORTUGUESE AND BELGIAN FIRMS

REF: LISBON 2190

1. PORTUGUESE PRESS AGENCY A.N.I. REPORT IN APRIL 16
DIARIO DE NOTICIAS CLAIMED THAT AGREEMENT HAS BEEN REACHED
IN BRUSSELS TO ANNUL CONTRACTUAL OBLIGATIONS THAT HAVE RE-
QUIRED COMPANHIAS REUNIDAS GAS E ELECTRICIDAD (CRGE) TO
MAKE LARGE ANNUAL PAYMENTS TO BELGIAN FIRM SOFINA.

2. EIGHTEEN PERCENT OF SHARES OF CRGE, WHICH IS LISBON'S
SUPPLIER OF ELECTRICITY AND GAS, ARE HELD BY BELGIAN INTER-
ESTS. A BELGIAN, ROGER WYCKMANS, WAS FIRM'S DIRECTOR UNTIL
OUSTED BY WORKERS IN MID-MARCH. ON MARCH 21 GOVERNMENT AP-
POINTED ARMANDO NOGUEIRA, WHO ACCORDING TO A.N.I. REPORT
IS CURRENTLY IN BRUSSELS, TO REPLACE WYCKMANS.

3. A.N.I. CITED SOURCE "CLOSELY LINKED" TO CRGE'S NEW
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PAGE 02 LISBON 02237 181434Z

MANAGEMENT, TO EFFECT THAT CONTRACT WITH SOFINA HAD REQUIRED

ANNUAL PAYMENTS OF "MANY MILLIONS OF ESCUDOS" UNDER TITLE OF "COSTS," WHICH WERE REALLY DISGUISED EXPORTS OF PROFITS. ARTICLE CLAIMED THAT ALTHOUGH BELGIAN INTERESTS ONLY HOLD SMALL MINORITY OF SHARES, THEY HAD DOMINATED FIRM. ARTICLE ALSO POINTED OUT THAT PREMIER OF FIRST PROVISIONAL (POST-APRIL 25) GOVERNMENT, ADELINO DA PALMA CARLOS, WAS PRESIDENT OF CRGE UNTIL LAST NOVEMBER.

4. ARTICLE EMPHASIZED THAT AS AGREEMENT COMES AT SAME MOMENT COMPANY, ALONG WITH REST OF ELECTRICITY SECTOR, HAS BEEN NATIONALIZED (REFTEL), NEGOTIATIONS "DIDN'T HAVE TO BE MADE IN THE NAME OF THE PORTUGUESE GOVERNMENT."

5. EMBASSY CHECKED WITH BELGIAN EMBASSY, WHICH HAS NO KNOWLEDGE OF SUBJECT.

6. COMMENT: IF CONFIRMED, AGREEMENT WOULD APPEAR TO BE FIRST KNOWN CASE OF A FOREIGN INVESTOR/SHAREHOLDER HERE AGREEING, WILLINGLY OR NOT, NOT TO REPATRIATE PROFITS.
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Message Attributes

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